



FLEX ALUMNI GRANT: Budget Best Practices



Don't start your budget with money in mind.

Develop your budget using a Resource-Driven Approach – FIRST, determine the resources needed. SECOND, research the cost of these resources. THEN, create your budget and adjust as needed.

Approaching your budget with money in mind leads to a Shopping Cart Approach – adding expenses until the maximum award is “used up” (like tossing items in your supermarket shopping cart until you run out of money).

Ask for ONLY what you need.

“My carefully thought-out budget of \$2,000 in grant funds includes everything I need to succeed. Time to submit!”

“My budget currently requests \$2,000 in grant funds. Hmmm...what else can I add to reach \$3,000?”

Do thorough cost research to develop an accurate budget.

Thoroughly research the cost of every project resource in your budget – including those for which you are getting as cost share.

Do not guess/estimate your project costs. Your budget may not have a line item for “contingencies.”

Understand what grant funds requests can and cannot be approved.

Grant funds are intended for the implementation of a social, economic, or community development **project** organized and executed by alumni or for the professional development of alumni.

Evaluators consider each expense request on a line-by-line basis, considering:

- If the expense seems important for the success of the project
- If the applicant demonstrates creativity/cost effectiveness and shows financial responsibility
- How much cost share is included in the budget

Alumni grant funds **cannot** fund:

- Purchase of computer/technology equipment or alcohol
- Alumni salaries
- Support for a particular political candidate or party
- Gifts or charitable donations of goods, materials, or money

Alumni grant funds are rarely approved for t-shirts, bags, banners, promotional items, construction materials, durable equipment/furniture, or printed certificates. Consideration for these items requires strong justification and cannot total more than 30% of your budget (all items of these types combined). Even with your justification provided, we may still ask you to remove these items from your budget if we do not deem them to be necessary.

Strong budgets have cost share (and letters of support as documentation).

In a strong proposal, the grant applicant has engaged his/her local community to gain project support in the form of goods, services, venue, manpower, donations, etc.

Example: The proposal states: “NGO XYZ will provide a trainer (4 staff hours x \$15 per hour = \$60), social media promotion (2 staff hours x \$10 per hour = \$20), and printing of project materials (200 sheets x \$0.05 per sheet = \$10).”

- These free resources (cost share) are added to your budget after price research.
- A letter of support from NGO XYZ is provided in English, on the NGO's letterhead.

Projects with \$0 in cost share; funded 100% by grant funds are not the most competitive applications.

Example: The proposal states: “NGO XYZ will provide a trainer, social media promotion, and printing.”

Strong budgets require well-defined project plans.

Some expenses are at a per day unit cost. If you don't know how many days your project will span, your budget is not yet ready to submit.

Loose plans such as, “Our awareness campaign will take place for approximately 3 to 5 days...” make presenting an accurate budget impossible.

The expense narrative in your budget chart must be detailed.

Water (\$0.30 per bottle), fruit (\$0.05 per piece), and granola bar (\$0.40) for 20 participants and 5 trainers for two-day event. \$0.75 per person refreshment cost x 25 people x 2 days = \$37.50

Bus fare (\$2.00 round trip) for 5 project organizers for 3 event days and 1 planning day. \$2 bus fare x 5 people x 4 days = \$40.00

“Refreshments: \$37.50” – NO! Not enough information. Who are the refreshments for? What are you buying? How much does each unit cost?

“Transportation: \$40.00” – NO! Not enough information. Who is traveling? How are you traveling? What is the cost per person? Evaluators need a lot more information.

Your budget should be proportionate to the project's level of impact.

\$1,500 requested for a public health workshop for 50 community members. Community members will spread knowledge to family and friends for an expected indirect reach of at least 250 people. (High level of impact for a reasonable budget.)

\$3,000 requested for a technology training for five high school students. (A project which benefits only five people is highly unlikely to be awarded \$3,000.)

Be sure your proposal and budget tell the same story.

Before submitting, do a final review of your proposal and budget to ensure they are consistent and tell the same story.

Proposal says, “20 participants and 5 project team members.” Budget line item for refreshments indicates refreshments for 35 people. Where did the other 10 people come from?

Choose your project team and location with cost in mind.

\$50 requested to for project team transportation via bus from team member homes to project venue.

5 staff members x \$1 per ride x 2 rides per day x 5 project days = \$50

Project team eats breakfast and dinner at home and eats lunch with participants. Project team sleeps at home.

\$1,500 requested (out of a \$3,000 budget) for five project team members for 1) travel to a town 100km away; 2) meals; and 3) hotel. Why choose this location if the team must travel and pay to stay overnight? In this example, 50% of the budget would be spent on members of the project team. The largest percentage of project funds should go toward providing value to project beneficiaries – not to the project team. If project team members are not in the same town as the project, consider choosing different team members or selecting a location more convenient for everyone.

Choose a project that is in your purview.

\$500 requested to implement a coding camp. FLEX alumna Flexa Flexarooni will teach coding for free. \$500 goes toward snacks, supplies, and transportation.

\$2,000 requested to pay two trainers to teach coding to 20 participants. Trainers needed because you do not know coding.

Why choose a workshop about coding then? Pick a project theme that you or your fellow team members are familiar enough with to teach yourselves OR for which someone in the community would be willing to donate their time to teach. The largest percentage of project funds should benefit direct beneficiaries – not go towards paying local professionals to provide trainings.

The importance of a well-developed, carefully researched, and financially responsible budget cannot be emphasized enough. A poor budget can be the end of a great idea.

Questions? Email flexalumni@americancouncils.org

